



Department of Justice

FOR IMMEDIATE RELEASE
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**FORMER NEW YORK DISPLAY MATERIALS SUPPLIER TO PHILIP MORRIS
INDICTED IN BID RIGGING AND TAX FRAUD CONSPIRACIES**

WASHINGTON, D.C. -- A New York City federal grand jury today indicted a New York executive and two of his companies for bid-rigging and tax fraud in connection with the supply of advertising display materials sold to Philip Morris Inc.

To date, 11 individuals and four corporations have pleaded guilty to various federal charges as a result of the Department of Justice's ongoing antitrust investigation of bid rigging, commercial bribery and tax-related offenses in the display industry.

The seven-count indictment, filed today in the federal courthouse in the Southern District of New York (New York City), charges Dani Siegel of New York City and Westhampton, New York, and two of his companies with violating antitrust and tax laws. The indictment replaces an earlier four-count indictment filed in June against the same defendants.

Siegel and his Englewood, New Jersey-based Visart Mounting & Finishing Corp., are charged with participating in a bid rigging conspiracy involving contracts awarded by Philip Morris Inc. in New York City for the supply of point-of-purchase display materials used to advertise and promote products in retail stores. During the conspiracy, Visart obtained display contracts

with Philip Morris worth about \$5 million. The conspiracy took place from November 1987 to October 1991.

The indictment also charges that Siegel, Visart and one of his other companies, Manhattan-based Genetra Affiliates Inc., participated in a tax fraud conspiracy. The conspiracy took place from June 1987 to March 1994.

The remaining five counts charge Siegel with tax related offenses.

Joel I. Klein, Acting Assistant Attorney General in charge of the Justice Department's Antitrust Division, said, "The Antitrust Division is committed to investigating and prosecuting anticompetitive conduct in the display industry. This indictment and our continuing investigation is further proof of that resolve."

Siegel, Visart and Genetra are also charged with tax fraud in connection with a conspiracy to raise and accumulate about \$1.6 million in cash. The conspiracy involved more than 150 sham transactions that were designed to overstate Genetra's and Visart's expenses, take false deductions and conceal cash income that was not reported to authorities. In addition, the conspiracy allowed Genetra to avoid reporting more than \$500,000 in gross sales. Siegel is also charged with subscribing to false federal tax returns filed by Genetra from 1989 through 1993.

This prosecution is the result of an investigation being conducted by the Antitrust Division's New York Field Office with the assistance of the Federal Bureau of Investigation and the Internal Revenue Service.

Among the 11 individuals that have been charged thus far are executives of the Englewood, New Jersey-based AM-PM Sales Co. Inc., identified in today's charge as co-conspirators with Siegel and Visart in the bid-rigging conspiracy, and Bert Levine, a Morris Plains, New Jersey resident, identified as a co-conspirator in the tax fraud conspiracy.

The maximum penalty for an individual convicted of a violation of the Sherman Act committed after November 16, 1990, is three years in prison and a fine not to exceed the greatest of \$350,000, twice the pecuniary gain the individual derived from the crime or twice the pecuniary loss caused to the victims of the crime.

The maximum penalty for a corporation convicted of a violation of the Sherman Act continuing after November 16, 1990 is a fine not to exceed the greatest of \$10 million, twice the pecuniary gain derived from the crime or twice the pecuniary loss caused to the victims of the crime.

The maximum penalty for an individual convicted of conspiracy to defraud the Internal Revenue Service or income tax evasion is five years in prison and a fine not to exceed the greatest of \$250,000, twice the pecuniary gain the individual derived from the crime or twice the pecuniary loss to the victims. The maximum sentence for an individual convicted of subscribing to fraudulent tax returns is three years in prison.

Anyone with information concerning bid rigging, bribery or fraud in the display industry may contact the New York Division of the FBI at (212) 384-1000.

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